



State of Arizona

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Statement from Governor Jan Brewer

Conservative Budget Plan Positions State for Future, Prepares for Unknown

"Today, I proudly signed into law a conservative and comprehensive budget plan that adds real resources to our State's most critical programs, while setting aside dollars for the fiscal challenges that lay ahead. I applaud and commend legislators of both chambers who worked with me in good faith to make this possible."

"It is worth remembering how far we've come together. When I took office in January 2009, the State of Arizona faced an estimated budget deficit of nearly \$3.5 billion for the following year. On a per-capita basis, our shortfall was the nation's worst.

"The decisions that followed were the toughest of my career. Together, lawmakers and I cut spending by the most in our State's history. We asked voters to temporarily increase their own taxes – and they overwhelmingly agreed. We passed into law historic economic legislation, bringing the public and private sectors together with the Arizona Commerce Authority, and spurring business investment with broad tax reforms and targeted business incentives.

"We have begun to see these efforts bear fruit. Our State budget is balanced, with sufficient revenues to augment education, public safety and health and human services. Our Rainy Day Reserve is empty no longer. Best of all, the Arizona economy is generating jobs in numbers we haven't seen in years – 47,000 in February and March alone.

"This is all great news. When this budget process began, however, I warned that 'we in State government must be mindful not to repeat the mistakes of the past, when economic recovery and fiscal exuberance too often went hand-in-hand – leading to unwise and unsustainable expenditures.' It is with pride that I say this budget avoids that trap, while leaving Arizona better positioned for long-term prosperity."

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NOTE: Budget highlights on next page

Budget highlights

This budget keeps the faith with supporters of Proposition 100

Promotes Education

- About \$175 million additional for K-12 and higher education
- \$40 million for early childhood reading assistance
- \$12 million for K-12 school repairs and maintenance
- \$700,000 for additional investigators to look into allegations of classroom abuse
- \$15.3 million for course redesign at ASU and NAU
- \$6 million for the University of Arizona Medical School

Protects the Public

- \$50 million to construct 500 maximum-security prison beds
- \$4 million to hire 120 additional Correctional Officers
- \$2 million for additional Highway Patrol vehicles
- \$1 million in emergency wildfire funding for the State Forester

Provides for Health and Human Services

- \$3.7 million to create a new investigative unit at CPS to handle the highest-priority cases
- \$38.7 million to augment State services for individuals with Serious Mental Illness
- \$25 million to prevent drastic cuts in safety-net services due to a loss of federal funds
- \$17 million to accommodate caseload growth in adoption services
- \$16 million to assist the State Hospital, rural hospitals and programs for Behavioral Health and the Developmentally Disabled

This Budget Modernizes State Government and Positions Arizona Economy

- \$7 million to boost State tourism promotion into new markets worldwide
- \$100 million for state, regional and local transportation needs
- \$82 million to modernize IT programs, including the outdated State accounting system (AFIS)

This Budget Spends Conservatively and Saves for the Future

- Fiscal 2013 General Fund spending (\$8.6 billion) up just 3.5% from fiscal 2012 (\$8.3 billion, as adopted)
- Nearly \$700 million set aside or reserved in Rainy Day fund
- Carryover leaves State better prepared for expiration of Prop 100 in 2013, possible implementation of ObamaCare in 2014 and other, unanticipated challenges